

115TH CONGRESS
1ST SESSION

H. R. 1624

AN ACT

To require the appropriate Federal banking agencies to treat certain municipal obligations as no lower than level 2B liquid assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Municipal Finance
3 Support Act of 2017”.

4 **SEC. 2. TREATMENT OF CERTAIN MUNICIPAL OBLIGA-
5 TIONS.**

6 (a) IN GENERAL.—Section 18 of the Federal Deposit
7 Insurance Act (12 U.S.C. 1828) is amended—

8 (1) by moving subsection (z) so that it appears
9 after subsection (y); and

10 (2) by adding at the end the following:

11 “(aa) TREATMENT OF CERTAIN MUNICIPAL OBLIGA-
12 TIONS.—

13 “(1) IN GENERAL.—For purposes of the final
14 rule titled ‘Liquidity Coverage Ratio: Liquidity Risk
15 Measurement Standards; Final Rule’ (79 Fed. Reg.
16 61439; published October 10, 2014) (the ‘Final
17 Rule’) and any other regulation which incorporates
18 a definition of the term ‘high-quality liquid asset’,
19 the appropriate Federal banking agencies shall treat
20 a municipal obligation that is both liquid and readily
21 marketable (as defined in the Final Rule) and in-
22 vestment grade as of the calculation date as a high-
23 quality liquid asset that is no lower than a level 2B
24 liquid asset.

25 “(2) DEFINITIONS.—For purposes of this sub-
26 section:

1 “(A) INVESTMENT GRADE.—With respect
2 to an obligation, the term ‘investment grade’
3 has the meaning given that term under part 1
4 of title 12, Code of Federal Regulations.

5 “(B) MUNICIPAL OBLIGATION.—The term
6 ‘municipal obligation’ means an obligation of a
7 State or any political subdivision thereof, or any
8 agency or instrumentality of a State or any po-
9 litical subdivision thereof.”.

10 (b) AMENDMENT TO LIQUIDITY COVERAGE RATIO
11 REGULATIONS.—Not later than the end of the 3-month
12 period beginning on the date of the enactment of this Act,
13 the Federal Deposit Insurance Corporation, the Board of
14 Governors of the Federal Reserve System, and the Com-
15 troller of the Currency shall amend the final rule titled
16 “Liquidity Coverage Ratio: Liquidity Risk Measurement
17 Standards; Final Rule” (79 Fed. Reg. 61439; published
18 October 10, 2014) to implement the amendments made
19 by this Act.

Passed the House of Representatives October 3,
2017.

Attest:

Clerk.

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